HMRC - STSM061030 - Introduction: Meaning Of A Bearer Instrument For Stamp Duty Purposes

A bearer instrument is defined in FA99/SCH15/PARA3 as being any of the following:

a marketable security (i.e. a security of such a description as to be capable of being sold in any stock market in the United Kingdom (UK)), transferable by delivery;

a share warrant or stock certificate to bearer or instrument to bearer (by whatever name called) having the like effect as such a warrant or certificate;

a deposit certificate to bearer (i.e. an instrument to bearer acknowledging the deposit of stock of any one company and entitling the bearer to rights in relation to the stock deposited);

any other instrument to bearer by means of which stock can be transferred (i.e. any interest in, or any fraction of, stock or any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock); or

an instrument issued by a non-UK incorporated company on the occasion of its first sale in the UK that is a bearer instrument by usage.

References to stock includes securities and any interest in, or any fraction of, stock or any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stocks.

The Glossary at STSM999999 gives guidance on what is a ‘marketable security’.

For information on what is a share warrant or stock certificate, see STSM061010

For advice on what is a bearer instrument by usage, see STSM061040

Previous page

Next page